CORRESPONDENT SELLER GUIDE

ROYAL PACIFIC FUNDING

December 2020

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1.0 General

Royal Pacific Funding Inc. (hereinafter "Royal Pacific Funding" or "RPF") complies with all applicable laws and regulations regarding non-discrimination and loan disclosure. RPF is fully committed to the principle that all lending policies, procedures, and practices will not in any way discriminate against any person on the basis of race, color, religion, national origin, sex, marital status, familial status, age (provided the applicant has the capacity to enter into a contract), handicap or disability, or other prohibited basis. This policy of non-discrimination covers all aspects of our credit operations including, the application for, consideration of, granting, servicing, and collection of extensions of credit, and also includes marketing practices, advertising, and product design.

RPF is an approved Seller/Servicer for Fannie Mae and Freddie Mac, a Ginnie Mae Approved Issuer, and approved with FHA and VA.

RPF has established procedures designed to ensure our operations reflect our commitment to Fair Lending and to ensure all employees of RPF as well as our Third-Party Originators are fully informed of our commitment. All Third-Party Originators, including Correspondent Sellers, are required to comply with RPF's Fair Lending Policy.

Mortgage loans delivered to RPF for purchase consideration must comply with all applicable laws, including without limitation, those laws prohibiting discrimination such as the Fair Housing Act, the Equal Credit Opportunity Act, and other similar fair lending laws and their implementing regulations, including any applicable state fair lending laws such as New York Executive Law Section 296-a which addresses unlawful discriminatory practices in relation to credit.

RPF does not participate in predatory lending practices and adheres to, and requires compliance with, all applicable federal, state, and local anti-predatory lending laws and other similar credit-related consumer protection laws designed to prevent or regulate abusive and deceptive lending practices and loans terms (collectively, "Anti-Predatory Lending Laws"), which includes Truth-in-Lending laws, licensing laws, doing-business laws, usury laws, anti-predatory lending, and similar laws.

RPF does not originate or purchase mortgage loans that are subject to the Home Ownership and Equity Protection Act, as described in Section 32 of Regulation Z. RPF follows Fannie Mae and Freddie Mac's principles on responsible lending and fee limitations as well as FHA and VA guidelines about fees and charges.

RPF operates in accordance with all provisions of the Fair Housing Act and the Equal Credit Opportunity Act and adheres to all applicable federal and state fair housing and anti-predatory lending laws. In addition, RPF will always comply with all state and local laws.

RPF has a Zero Fraud Tolerance Policy and a commitment to reporting and cooperating with investors and government agencies, including regulators and law enforcement. RPF will only do business with Sellers that are in good standing with the appropriate licensing authorities.

When a Seller presents a package to RPF for purchase, RPF will independently verify and evaluate the Borrower's ability to repay the loan through a due diligence process

1.1 Terms and Use of the Seller Guide

The Seller Guide contains confidential information and is the sole property of RPF and cannot be reproduced or used for any other reason than conducting business with RPF.

Information contained in the Seller Guide applies to both conventional and government programs unless otherwise denoted. Sellers should follow the applicable Agency guidelines for any topic not addressed in the individual program guidelines or on the RPF Overlay document.

1.2 Updates to the Seller Guide

RPF reserves the right to amend or supplement the Seller Guide at any time in its sole discretion. The Correspondent Seller is responsible to review and comply with any update and/or announcement issued by RPF. RPF reserves the right to terminate relationship with a Correspondent Seller at any time if the Correspondent fails to meet its obligations contained within this Seller Guide.

1.3 Seller Requirements

Requirements for Delegated Seller Approval

- Minimum $ 1,000,000 net worth for retail production
- Minimum $2,500,000 audited net worth – FHA, VA, or meet FHA net worth requirements
- Third-Party Originator (TPO) Approval $2,500,000 audited net worth Errors and Omissions (E&O) and Fidelity Bond – minimum coverage of $300,000
- Mortgage Electronic Registration Systems (MERS) membership
- FHA Compare Ratio under 150%

Requirements for Non-Delegated Seller Approval

- Minimum $ 500,000 net worth for retail production
- Minimum $ 1,000,000 net worth for retail production for FHA/VA or per Handbook requirements
- Non-Delegated not allowed for Third Party Originations (TPO)

1.4 Application

Sellers should carefully review and fully complete the application. Applications that are incomplete and/or missing information, and/or documentation, will not be processed. RPF requires the Seller to have qualified and adequate personnel in place, with great knowledge and expertise of the mortgage industry.

RPF's Correspondent Application Package includes:

- Application
- Authorization to Release Information
- Affiliated Business Disclosure
- RPF Fair Lending Form
- RPF Contact Sheet
- W9

The below supporting documentation is required to be included with your application package:

- Correspondent Mortgage Loan Purchase Agreement
- Resumes of all key staff and company organizational chart
- Quarterly income statements and balance sheets, prepared in accordance with Generally Accepted Accounting Principles (GAAP), evidencing a profit
- Organizational documents (e.g. bylaws, articles of incorporation)
- Copy of the most recent two (2) years audited financial statements, performed in accordance GAAP requirements; demonstrating profitability for the prior two (2) years
- Acceptable Quality Control Plan and Reports – written quality control policies and procedures, as well as the Quality Control Plan reports for the four (4) most recent quarters
- Appraisal Independent Requirements (AIR) Plan
- Anti-Money Laundering (AML) Policies and Procedures
- Evidence of Agency approval letters, if approved by HUD, VA, FHLMC, FNMA, or GNMA (Approval letters must state specific approval granted by respective agency)
- Most recent investor scorecards (top three (3) investors)
- Copy of current Fidelity Bond and E&O insurance
- Completed Wire Funds Setup Instructions and Warehouse Approval Letters
- Copy of state issued Corporate and Brokers/Bankers license, with DBA if applicable and with DBA shown on license. Licenses in a corporation's name must show the Broker/Banker as designated officer.

For Third Party Origination Consideration:

- TPO (Third Party Originator) Approval Policy & Procedure (including Monitoring)
- TPO Client List (including legal name and NMLS number)

1.5 Correspondent Seller Financial Evaluation

At the time of initial application, Seller will be subject to a financial evaluation. The financial evaluation will be completed by a financial analyst employed by RPF. The analyst will determine the overall stability of the Seller and any potential financial risks. The Seller will be required to provide Letters of Explanation for any negative findings or red flags associated with the company's financials. The results of the financial review will be included in the Client Summary Package for RPF management's review and approval.

1.6 Third Party Origination (TPO) Approval

Lenders that wish to have Third Party Origination (TPO) approval will be required to submit their full Policy and Procedures, including ongoing monitoring, and a full client list for consideration. Policies and client list will be reviewed by a Client Management Reviewer and any questions or concerns will need to be addressed by Lender. RPF has the right to decline TPO business and/or remove TPO approval at any time.

1.7 Delegation and Underwriting Authority

All FHA and VA approved Sellers with Underwriters that meet HUD and VA requirements are fully delegated to underwrite loans to RPF's credit and eligibility standards including guideline overlays.

Conventional underwriting authority is granted to Sellers based on experience levels and proven track record. RPF may terminate a Seller's authorization to perform delegated underwriting at any time by providing notice to the Seller.

1.8 Non-Delegated Correspondent

RPF allows for Correspondent Sellers to be approved on a Non-Delegated basis. The definition of Non-Delegated Seller is a mortgage banker that will originate, process, close and submit for purchase mortgages that meet all agency guidelines and RPF's overlays and where the underwriting process is performed by RPF. Sellers are required to submit a complete credit package before requesting the underwriting review. Only retail originated loans are allowed for purchase from Non-Delegated Sellers. See below for specific duties and responsibilities for FHA and VA loans.

1.9 FHA

FHA allows for two different relationship categories between the Correspondent Seller and RPF.

1.10 Principal-Authorized Agent

The above can only be established between two Unconditional DE Approved Lenders. The Principal-Authorized Agent relationship will utilize the FHA Lender ID for both the Correspondent as Originator and RPF as Authorized Agent in FHA Connection

Responsibilities are as follows:

Correspondent Lender (Seller)	RPF – Authorized Agent
• Originate the loan • Obtain FHA Case Number reflecting both the Principal (Correspondent) and Agent • Obtain CAIVRS • Prepare closing documents • Close and fund the loan • Responsible for paying the upfront MIP	• Underwrite the loan • Upload FHA appraisal in EAD • Update FHAC appraisal logging • Insure the loan in RPF's name

1.11 Sponsored Third Party Originator (TPO)

This can be established between RPF as the Unconditional DE Approved Lender and an FHA Approved Lender who has not completed their test cases (RPF will not underwrite FHA test cases). Sellers must assign the loan to RPF as a sponsor when the case number is obtained. The Sponsored Originator relationship will use the Correspondent's EIN as Sponsored Originator and RPF Lender ID as Sponsor in FHA Connection.

Responsibilities are as follows:

Correspondent Lender (Seller – Sponsored TPO)	RPF – DE Lender
• Originate the loan • Obtain FHA Case Number with RPF shown as Sponsor • Obtain CAIVRS • Upload FHA appraisal in EAD and review FHAC logging • Complete Appraisal Logging • Prepare closing documents • Close and fund loan • Responsible for paying the upfront MIP	• Underwrite the loan • Upload FHA appraisal logging • Update FHAC appraisal logging • Insure the loan in RPF's name

1.12 VA

RPF may sponsor any other VA approved lender to be RPF's agent. This process requires specific approval and registration with VA. Loans may close in the Seller's name as long as the loan is underwritten by RPF.

VA defines a lender status as follows:

Lender Type	Definition
Supervised Lender	Refers to banks and credit unions supervised by other government regulators. VA approval is not needed; however, a Letter of Recognition for their Supervised Lender status from VA is required
Non-Supervised Lender	Refers to lenders that are not a supervised lender. A non-supervised lender must apply to VA for authority to close loans on an automatic basis. All loans must be reviewed by a VA-approved underwriter
Prior Approval Lenders	Refers to lenders that do not have a VA underwriter on staff and therefore, do not have automatic closing authority. The lender must send VA loans to VA for underwriting prior to closing the loan

Note: only a sponsoring lender/agent relationship would be allowed if the Seller wants to close VA loans using RPF's underwriting authority.

If RPF is acting as a sponsoring lender for a Seller, RPF will submit a request for recognition of the relationship to the VA Regional Office of Jurisdiction. The following documentation must be provided to

VA:

- RPF’s Corporate Resolution in a format acceptable to VA
- Sponsorship application
- $100 fee payable to VA (paid by the Seller)

Prior to submitting a loan for underwriting, the Seller must provide a copy of the VA Approval Letter to RPF designating the Seller as an approved agent. RPF will not underwrite test cases.

1.13 Yearly Review and Renewal, Audits and Reporting

On an annual basis, Seller must complete the RPF lender recertification process. Seller is obligated to provide any changes or updates which may have occurred in its organization since its previous approval or renewal. The following are required during annual recertification:

NOTE: RPF reserves the right to conduct this review on a quarterly basis if it should determine the Seller’s overall performance so warrants.

- Recertification Form
- Authorization to Release Information
- Affiliated Business Disclosures
- RPF Fair Lending Form
- Current YTD Balance Sheet and P&L Statement
- Most recent year-end audited financials
- Copy of current Fidelity Bond and E&O insurance
- Updated Organizational Chart
- Updated Quality Control Plan
- Most recent investor scorecards (top three (3) investors)
- Appraisal Independence Requirements (AIR) Plan

For lenders with Third Party Origination (TPO) Approval:

- TPO (Third Party Originator) Approval Policy & Procedure (including Monitoring)
- TPO Client List (including legal name and NMLS number)

Seller must deliver copies of any notification of termination of license(s) or lending authority to RPF immediately. If a Seller is terminated, suspended, or under investigation from any governmental agency or quasi-governmental agency, Seller must immediately notify RPF and forward any associated notices and/or documentation.

From time to time, RPF may audit the Seller’s loan origination operations and examine the documents and records relating to any mortgage loan sold by the Seller. Seller will facilitate such audits and provide RPF and its agents access to the Seller’s offices, books, and records, at reasonable times during the Seller’s normal business hours.

At any time, Seller may be selected for a quarterly Risk Assessment review by RPF. During such review, RPF will monitor loan quality, aging receivables, reputational risk, FHA Compare Ratio, and any possible issues or concerns regarding the Seller.

1.14 Pull-Through Ratio Requirements

Seller must maintain a locked-to-purchased pull-through ratio of 75% or greater. Pull-through is measured by the amount of fallout a Correspondent has. Fallout is defined as any loan locked with RPF not purchased by the required expiration date.

1.15 Representations, Warrants, and Covenants

By agreeing to sell loans to RPF, hereinafter referred to as “Buyer,” in accordance with the provisions of the Correspondent Loan Purchase Agreement, hereinafter referred to as “Agreement,” and in this RPF Correspondent Seller’s Manual, hereinafter referred to as “Manual,” the Correspondent Seller,

hereinafter referred to as “Seller,” hereby represents, warrants, and covenants to Buyer as of the date of the Agreement, and as of the date of Buyer’s purchase of each mortgage loan to comply and maintain compliance with all provisions in the Agreement, Manual, and any other agreement by and between Buyer and Seller.

Seller represents it has all requisite power and authority to execute and enter into the Agreement and to perform the obligations required and contained within. The execution and delivery of the Agreement and all documents, instruments, and agreements required to be executed by Seller have been duly and validly authorized by all necessary action of Seller. The Agreement constitutes a valid, legal, and binding agreement of Seller, enforceable by Buyer in accordance with its terms, subject to bankruptcy, insolvency, re-organization, receivership, or other laws affecting rights of creditors generally, and general equity principles.

1.16 Maintain Good Standings

Seller is and will continue to be duly organized, validly existing, and in good standings under the laws of the United States or under the laws of the jurisdiction in which it has incorporated or organized, as applicable. Seller has and will continue to maintain all licenses, registrations, and certifications necessary to carry on its business as it is now being conducted. Seller is and will continue to be licensed, registered, qualified, and in good standing in each state where property securing the mortgage loan is located, if the laws of such state require licensing, registration, or qualification in order to conduct business of the type conducted by Seller.

Seller represents it employs, or will employ, a sufficient number of knowledgeable and capable professionals to perform the services required by the Agreement. Seller represents its employees who perform loan origination activities will be appropriately licensed and in good standing with the applicable licensing and oversight authorities at all times. Seller will continue to maintain minimum tangible net worth requirements per their level of approved issued by RPF.

Seller has the ability to perform each and every obligation of and/or satisfy each and every requirement imposed on Seller pursuant to the Agreement, and no offset, counterclaim, or defense exists to the full performance by Seller of the requirements of the Agreement.

There are no actions, litigations, suits, or proceedings, pending or threatened, against the Seller before or by any court, administrative agency, arbitrator, or governmental body with respect to any matter which, in the judgment of the Seller, if filed adversely to the Seller would reasonably be expected to materially and adversely affect the Seller's ability to perform its obligations under the Agreement and Manual. Seller is not in default with respect to any order of any court, administrative agency, arbitrator, or governmental body to materially and adversely affect the transactions contemplated by the Agreement.

1.17 Termination with Cause

Seller may be terminated with cause for reasons including, but not limited to:

- Criminal conviction of organization, owner or executive officer
- Fraud or misrepresentation of material facts
- Terminal breach of representations and/or warranties of the Agreement
- Suspension or revocation of any of the Correspondent Seller's state lending licenses
- Excessive number of repurchase demands

Terminations with cause are effective immediately upon notification to the Seller. Loans which have not been purchased by RPF may be returned to the seller under the terms of the agreement.

1.18 Termination Without Cause

The Correspondent Seller may be terminated without cause upon 30-day written notice by RPF. Only loans locked prior to the date of termination will be eligible for purchase. A terminated seller must close out its pipeline by the expiration date of the lock agreement.

1.19 Sole Owner and Holder of the Mortgage Loan

Seller is the sole owner and holder of the mortgage loan, free and clear of any liens or pledges, except for the pledge of the Promissory Note by Seller with a warehouse lender which the Seller has disclosed and been approved by RPF, charges or security interest of any nature, and has full right and authority to sell and assign the same pursuant to the Agreement.

1.20 No Servicing Restrictions

The mortgage loan is not in default and all monthly payments have been made on time, including all taxes, assessments, insurance premiums, water, sewer, and municipal charges relating to the property secured by the mortgage.

There is no default, breach, violation, anticipated breach or event of acceleration existing under the mortgage or the related Promissory Note, and no existing or known event which, with the passage of time would constitute a default, breach, violation, or event of acceleration under such mortgage or the related Promissory Note.

1.21 Loan is Not Subject to Right of Rescission or Counter Claim

The mortgage loan is not subject to any right of rescission, set-off, counter claim, or defense and is not unenforceable under any terms. The Promissory Note, the mortgage, and any other agreement executed and delivered by a Borrower or guarantor, if applicable, are genuine, legal, valid, binding, and enforceable obligations of the maker thereof. All parties to the Promissory Note and any other agreement executed and delivered by a Borrower or guarantor, if applicable, had legal capacity to execute such documents and such parties have in fact, properly executed all such documents.

1.22 Funding Meets Applicable State and Federal Laws

The mortgage loan and the funding meets or is exempt from, applicable state and federal laws, regulations, and other requirements pertaining to usury, fees, and expenses incurred in the making of a mortgage loan. This includes, but is not limited to, usury, TILA-RESPA Integrated Disclosure Rule (TRID), Truth-in-Lending Act (TILA), Real Estate Settlement Procedures Act (RESPA), applicable state disclosure laws, consumer credit protection, and the Equal Credit Opportunity Act (ECOA).

1.23 Proceeds Fully Disbursed

The proceeds of the mortgage loan have been fully disbursed and there is no requirement or anticipation of future advances. All costs, fees, and expenses incurred in making, closing, or recording the mortgage loan have been paid in full.

1.24 Mechanic Liens or Claims for Work

At settlement of the mortgage loan, and to the Seller's knowledge as of the transaction date, there were no mechanic liens or claims for work, labor or material affecting the mortgage property, which are or may be a lien prior to the lien of such mortgage except those which are insured against by the title policy.

The mortgage is a valid, existing, and enforceable first lien on the mortgaged property, including all improvements on the mortgaged property subject only to (i) the lien of current real property taxes and assessments not yet due and payable, (ii) covenants, conditions and restrictions, rights of way, easements, and other matters of the public record as of the date of recording being acceptable to mortgage lending institutions generally and specially referred to in the owner's title policy delivered to the originator of the mortgage loan and which do not adversely affect the appraised value of the mortgaged property, (iii) other matters to which like properties are commonly subject to which do not materially interfere with the benefits of the security intended to be provided by the mortgage or the use, enjoyment, value, or marketability of the related mortgaged property. Any security agreement, chattel mortgage, or equivalent document related to and delivered in connected with the mortgage loan establishes and creates a valid, existing, and enforceable first lien and first priority security interest on the property described therein, and the Seller as the full right to sell and assign the same to Royal Pacific Funding Inc.

1.25 Property and Improvements

All improvements, which are included for purposes of determining the appraised value of the mortgaged property, lie wholly within the boundaries and building restriction lines of such property, and there are no adverse material conditions which would affect the appraised value. No improvements on the adjoining property encroach upon the mortgaged property as insured against by the related title policy.

At settlement of the mortgage loan, and to the Seller's knowledge as of the transaction date, no improvement located on or being part of the mortgaged property was in violation of any applicable zoning law(s) or regulation(s).

To the best of the Seller's knowledge, there is no hazardous substance or toxic waste located on or under said property to affect the value of said property.

There is no proceeding pending, or to the Seller's knowledge threatened, for the total or partial condemnation of the mortgaged property, and said property is undamaged by waste, fire, earthquake, earth movement, subsidence, wind, storm, flood, water, tornado, or other casualty, and the mortgaged property is in good repair.

There are no circumstances or conditions other than what is consented to in writing by RPF with respect to the mortgage, the mortgaged property, the Borrower, or the Borrower's credit standing, that can be reasonably expected to cause private institutional investors, which invest in mortgage loans with commensurate credit grades consistent with a mortgage loan sold by Seller to RPF, to regard the mortgage loan as an unacceptable investment, cause the mortgage to become delinquent, or adversely affect the value or marketability of the mortgage loan.

1.26 Purchase or Not Purchase

The Seller's decision to originate the mortgage loan or to deny any mortgage loan is an independent decision and is in no way made as a result of RPF's decision to purchase or not purchase any such mortgage loan, if originated.

1.27 Anti-Money Laundering Laws

The Seller has complied with all applicable anti-money lauding laws and regulations, including without limitation the USA Patriot Act of 2001 and the Bank Secrecy Act (collectively, the "Anti-Money Laundering Laws"); the Seller has established an anti-money laundering compliance program as required by the Anti-Money Laundering Laws.

1.28 High-Cost Loan

The Seller warrants each mortgage loan sold to RPF is not a "high-cost" or a "predatory" loan. The mortgage loan is not (i) a "high-cost" loan under the Home Ownership and Equity Protection Act (HOEPA) of 1994, specifically Section 32 of Regulation Z or (ii) a "high-cost," "threshold," "covered," "predatory," or similar loan under any other applicable state, federal, or local law, or similarly classified loan using different terminology. Higher Priced Mortgage Loans (HPML) are considered for purchase review with no additional overlays, so long as the mortgage loan complies with all requirements under Regulation Z and applicable state law, including underwriting and consumer protection requirements.

1.29 Ability to Repay (ATR) and Qualified Mortgage (QM) Rule

The ATR/QM rule requires lenders to make a reasonable, good-faith determination before or at the time of consummation of a mortgage loan that the consumer has a reasonable ability to repay the loan. RPF follows HUD and CFPB guidance regarding QM.

Safe Harbor and Rebuttable Presumption QM loans are considered for purchase review with no additional overlays.

1.30 Quality Control and Audit System

Seller has a quality control/internal audit system which reviews the authenticity of information utilized in underwriting mortgage loans, including verification of credit information, accuracy of appraisal, and verification of income and employment. Seller acknowledges RPF is relying on Seller as to the truth and accuracy of such third-party information contained in mortgage loans. Seller agrees to inform RPF of any irregularities discovered that affect the data integrity and quality of the loans, and to take appropriate remedial action, which may, in accordance with the terms of the Agreement, include re- purchasing the mortgage loan(s) or indemnifying RPF against associated losses in the event RPF is damaged as a result of the inaccuracy of such information.

1.31 Effect of Termination

Any termination of the Agreement shall not affect Seller's obligation with respect to mortgage loans previously sold or delivered to RPF prior to the effective date of such termination.

1.32 Confidentiality

As a results of its relationship with RPF, and access to the Agreement, Seller will learn or have access to various trade secrets, confidential and proprietary methods, techniques, processes, applications, approaches, and other information in various forms, which such information is used or useful in the conduct of RPF's business, including its origination, purchase, sale, and servicing of mortgage products, collectively referred to as "Confidential Information." Seller acknowledges such Confidential Information is the exclusive property of RPF. Seller shall not, at any time, regardless of when and how its relationship with RPF may end, directly or indirectly use, disclose, publish, reveal, copy, disseminate, or otherwise make available such Confidential Information, other than as expressly set forth herein or in the Agreement.

1.33 Right to Offset

Seller agrees RPF shall have the right to offset amounts owed to RPF and/or net and offset monies owed on any and all loans submitted to RPF.

When errors and/or discrepancies occur in the purchasing of a mortgage loan, they will be processed in one of three methods, depending on the specific discrepancy: (i) If RPF over-funds on a mortgage loan purchase, Seller agrees to reject the wire. Once the wire is rejected, RPF will process the correct wire amount from the warehouse bank; (ii) Seller agrees if they do not reject the wire, monies owed to RPF will be offset and/or netted from other mortgage loans in process with RPF; (iii) If RPF owes Seller additional monies on a purchased mortgage loan, RPF will process a check for the difference to Seller.

1.34 Mortgage Loan

The mortgage loan has not been satisfied, canceled, subordinated, or rescinded, in whole or part (other than as to principal pre-payments in full, which may have been received prior to the transaction date) and the mortgaged property has not been released from the lien of the mortgage, in whole or in part, nor has any instrument been executed which would affect any such satisfaction, cancelation, subordination, rescission, or release.

1.35 Qualified Appraiser and General Appraisal Requirements

Any and all appraisals prepared for purposes of the mortgage loan to verify and validate the value of the mortgage property were prepared for the Seller only in accordance with Appraisal Independence Requirements (AIR) and performed by an unbiased third-party that is a duly qualified and licensed appraiser and each such appraisal validly and accurately represents the current market value of the mortgaged property at the time the appraisal was performed. Each appraisal will meet and be delivered in a format consistent with Fannie Mae, Freddie Mac, FHA, VA and Ginnie Mae requirements, as applicable.

1.36 Texas Home Equity – A6

Royal Pacific Funding accepts Texas Section 50(a)(6) mortgages. By sale of these mortgages to RPF, the Seller represents and warrants compliance with the following for all Texas Section 50 (a)(6) mortgages delivered to RPF:

- All Texas Section 50(a)(6) mortgages were (or will be) originated pursuant to the Texas Constitution applicable to mortgage loans authorized by Section 50(a)(6), Article XVI of the Texas Constitution, as amended from time to time.
- The Seller has in place a specific process for the receipt, handling, and monitoring of notices from Borrowers that the Seller failed to comply with the provisions of the law applicable to Texas Section 50(a)(6) mortgages. Such processes must be adequate to ensure the Seller will correct the failure to comply by one of the authorized means, no later than the 60th day after the date the Seller is notified of the failure to comply by the Borrower.
- An attorney familiar with the provisions of Section 50(a)(6), Article XVI of the Texas Constitution was consulted (or will be consulted prior to the origination of the Texas Section 50(a)(6) mortgages) in connection with the development and implementation of the processes and procedures used for the origination of the Texas Section 50(a)(6) mortgages.
- To ensure ongoing compliance with the law applicable to mortgage loans authorized by Section 50(a)(6), Article XVI of the Texas Constitution, the processes and procedures used for the origination of the Texas Section 50(a)(6) mortgages will be reviewed by the Seller regularly and will be updated and revised, as appropriate pursuant to clarifications of the law, on a regular and continual basis.

Upon delivery of a Texas 50(a)(6) loan, the Seller represents and warrants that each loan complies with all Texas 50(a)(6) regulations as well as Fannie Mae or Freddie Mac policies including but not limited to:

- The Notice Concerning Equity Loan Extension of Credit has been signed by all parties with an interest in the property at least 12 days prior to closing. Disclosure has been provided to Borrowers in the language for which the application was taken.
- Fees do not exceed two percent (2%) of the principal balance.
- Loan has been closed using the appropriate, most recent, Fannie Mae Texas Home Equity Note, Security Instrument, and Rider.
- Borrower was given a copy of all closing documents.
- Borrower was given the final itemized fees prior to closing.
- Borrower has been given the Texas Home Equity Right to Cancel form, in addition to the Federal Right to Cancel form.
- Loan file contains an Acknowledgement of Fair Market Value signed by the Correspondent Seller and the Borrower.
- File contains a Texas Home Equity Certificate from Originating Lender regarding compliance with Section 50(a)(6), Article XVI of the Texas Constitution form signed by the Seller.
- LTV/CLTV does not exceed 80%.
- No new subordinate financing has been obtained.
- Subject is a one-unit dwelling.
- No other Texas 50(a)(6) financing has been secured by the subject property within the last 12 months.
- Subject property is Borrower's homestead.
- Subject property is a separate parcel and does not exceed 10 acres.
- A full appraisal has been obtained, regardless of DU findings.
- Loan was not closed in the name of a trust.
- Property must be used for residential purpose (no agricultural use).
- If the Borrower owns more than one dwelling, file contains an Affidavit of Non- Homestead for all other dwellings owned.
- If consumer debt was paid off at closing, file contains a certification from the Borrower indicating the payoff of debt was voluntary and not a condition of the loan approval.

There are no non-occupying co-Borrowers, guarantors, or co-signers.

1.37 RPF Disaster Policy

The purpose of RPF's Disaster Policy and Procedure is to ensure the collateral, the loan's subject property being purchased by RPF, has not been damaged in a natural disaster; or if it has been damaged, the subject property has been repaired and restored to its pre-disaster condition or better. When a disaster occurs, or an imminent threat is apparent, RPF will publish a list of identified areas and may issue a purchase moratorium, temporarily suspending funding in those areas. While the Federal Emergency Management Agency (FEMA) is the primary source for this information, it does not always issue declarations immediately following a disaster. Regardless of federal disaster declaration, anyone with knowledge of potentially adverse conditions impacting the subject property should take action to ensure the property meets RPF's requirements for purchase.

The requirements detailed below must be completed for all subject properties located within areas identified as a disaster area by federal agencies such as FEMA, or otherwise identified by RPF, once the purchase moratorium has been lifted.

1.38 Warranty

It is the Seller's sole responsibility to be aware of any mortgages loans in a disaster impacted area prior to sale to RPF. By sale of the loan to RPF, the Seller warrants the subject property is habitable, is in saleable condition, and there are no repairs or other detrimental conditions to the subject property at the time of the sale.

1.39 Requirements

Loan Type	Full Appraisal Completed *On/Prior* to Incident Period	Full Appraisal Completed *After* Incident Period	No Appraisal (Streamlines, IRRRLs, PIWs)
Conventional	Appraisal Reinspection Required • Appraisal Update Form 1004D; • Freddie Mac Form 2070; or • Fannie Mae Form 2075 • Statement from Appraiser that the subject property has not sustained any flooding and/or damage • Statement from Appraiser on neighborhood conditions as they relate to flooding and/or damage • Interior and exterior photos of the subject property evidencing no water damage, including the basement (if applicable)	For a period of 90 days from the incident period end date, the appraisal must include written certification from the Appraiser that: • Subject property is free from damage and the disaster had no effect on the value or marketability. • If the appraisal indicates damage, the extent of damage must be addressed. Completion of repairs is required, as evidenced by Form 1004D/442, Appraisal Update, and/or Completion Report (with photos) prior to the closing of the loan.	• Seller must resubmit to DU and maintain PIW eligibility. If the PIW is no longer available by DU, a full appraisal is required. If the property is still eligible for the PIW, a reinspection will be required. Lender's Certification In lieu of Reinspection (See Lender's Certification in lieu of reinspection section below table)
Loan Type	**Full Appraisal Completed *On/Prior* to Incident Period**	**Full Appraisal Completed *After* Incident Period**	**No Appraisal (Streamlines, IRRRLs, PIWs)**
Conventional		Appraisal must indicate if the property was affected by the disaster. If the subject property was affected: • Damages documented must be repaired by a licensed contractor, or per local jurisdictional requirements. • All damages must be repaired, and the	

		subject property restored to its pre-disaster condition, or better, with appropriate and applicable documentation	
FHA	Reinspection Required: • No specific form is required. • The inspection must be dated after the incident period. • If utilities have not been fully restored to the area, the Appraiser is not required to ensure utilities are on at the time of reinspection. Damages documented must be repaired by a licensed contractor, or per local jurisdictional requirements. • All damages must be repaired, and the subject property restored to its pre-disaster condition, or better, with appropriate and applicable documentation. • For loans not closed prior to the incident period, as defined by FEMA, in PDMDAs where a damage inspection report reveals property damage, the appraisal validity period is extended from 90 Days to a maximum of one year from the effective date of the original appraisal. In no instance will an appraisal be acceptable for a loan closing that has an effective date beyond one year. Loans with appraisals having effective dates in excess of one year require a new appraisal.	For a period of 90 days from the incident period end date the appraisal must include written certification from the appraiser that: • Property is free from damage and the disaster has had no effect on the value or marketability. If the appraisal indicates damage, the extent of the damage must be addressed. Completion of repairs is required as evidenced by Form 1004D/442, Appraisal Update and/or Completion report (with photos) prior to the closing of the loan. Appraisal must indicate if the property was affected by the disaster. If the property was affected: • Damages documented must be repaired by licensed contractors or per local jurisdictional requirements. All damages must be repaired, and the subject property restored to its pre-disaster condition or better with appropriate and applicable documentation.	• FHA Streamline with No Appraisal: Reinspection Required: Disaster Inspection Photos of the interior, exterior, and neighborhood. • Lender's Certification In lieu of Reinspection (See Lender's Certification in lieu of reinspection section below table

Disaster declarations typically detail an "incident period," the date(s) in which the disaster occurred, and the "Major Disaster Declaration" date, the date in which the incident was officially declared a disaster. The requirements below must be followed 90 days from the incident period end date, or if an incident end date is not clear, RPF will use the date of the Promissory Note to determine the 90-day period. Loans without an appraisal such as DU Refi Plus, FHA Streamline refinance, or VA IRRRLs, will require an eligible reinspection 90 days from the incident end date. See Appraisal/Reinspection table for details.

1.40 Re-Verification of Employment and Income

If a disaster incident date occurs after the Verbal Verification of Employment (VVOE) was completed, an additional VVOE to ensure the Borrower is still employed and is continuing to receive the same amount of income stated on the loan application (URLA).

1.41 Change of Circumstance (COC)

For loans closed after a disaster incident occurred and a re-inspection was conducted, a valid and compliant Change of Circumstance (COC) form is required due to the increase in costs incurred as a result of the re-inspection, and all applicable re-disclosure waiting periods must be adhered to.

For loans closed before a disaster incident, a COC is not required.

1.42 Appraisal/Reinspection

Fannie Mae or Freddie Mac loans with a Property Inspection Waiver (PIW) will require resubmission to DU/LP to maintain PIW eligibility. If the findings show continued PIW eligibility, a reinspection will be required. If the PIW is no longer permissible, a full appraisal, per FNMA and FHLMC guidance, is required.

VA	Reinspection Required:
	• No specific form is required.
	• Interior and exterior inspection with photographs verifying the subject property was not damaged in the disaster or has been restored to its pre-disaster condition or better. If the subject property is located in a disaster declared area, a Disaster Inspection Certification is required, prior to closing, to ensure collateral is acceptable.
	• Lender Certification: "This is to affirm that the property which is security for VA loan number (*insert VA case number*) has been inspected to ensure that it was not damaged in the recently declared disaster or has been restored to its pre-disaster condition or better." The certification must be signed by an officer of the Correspondent Seller and must provide the Correspondent Seller's title, and the date the certification was signed.
	• Veteran Certification: "I have inspected the property located at (*insert full property address*) and find its condition now to be acceptable to me. I understand that I will not be charged for any disaster-related expenses and now wish to close the loan." The certification must be signed and dated by the veteran. The sentence pertaining to disaster-related expenses must be omitted for refinance
		For a period of 90 days from the incident period end date the appraisal must include written certification from the Appraiser that:
		• The subject property is free from damage and the disaster has had no effect on the value or marketability.
		• If the appraisal indicates damage, the extent of the damage must be addressed. Completion of repairs is required as evidenced by Form 1004D/442, Appraisal Update and/or Completion report (with photos) prior to the closing of the loan.
		
		Appraisal must indicate if the subject property was affected by the disaster.
		
		If the subject property was affected:
		Damages documented must be repaired by licensed contractors or per local jurisdictional requirements. All damages must be repaired, and the subject property restored to its pre-disaster condition or better with appropriate and applicable documentation
			• VA IRRRL: Reinspection Required: Disaster Inspection
			  ○ Photos of the interior, exterior, and neighborhood.
			  ○ If the disaster occurred prior to Correspondent Seller's disbursement of funds, Veteran to complete and sign the Veteran Certification
			
			• Lender's Certification In lieu of Reinspection (See Lender's Certification in lieu of reinspection section below table

	transactions only. • The VA underwriter must make the following comments on the VA Loan Summary (VA Form 26-0286): “Lender and Veteran Disaster Certifications Enclosed.” • If local laws require a property inspection, a copy of the required inspection report meeting local building authority criteria must be included in the loan file. Neither VA nor the veteran purchaser shall bear the expense of any disaster-related inspection for any transaction or repairs on purchase transactions. If there’s an indication that the subject property, despite repairs, will be worth less at the time of loan closing than it was at the time of appraisal, the VA Appraiser must update the original value estimate and the loan amount must be reduced accordingly. Payment for the appraisal is a contractual matter between the buyer and seller. • The Correspondent Seller must confirm prior to closing that the veteran’s employment and income have not changed since the loan application.		

1.43 Lender Certification In Lieu of Reinspection

RPF Delegated Correspondent Sellers may provide a Lender Certification by conducting a drive-by inspection, provided they are certifying the loan meets the reinspection requirements. It is the Seller's sole responsibility to be aware of any mortgage loans in a disaster impacted area prior to sale to RPF. By sale of the loan to RPF, the Seller warrants the subject property is habitable, is in saleable condition, and there are no repairs or other detrimental conditions to the subject property at the time of the sale.

Receipt of a Lender Certification does not release the Seller from any required representations and warranties related to compliance with Agency or RPF guidelines.

When a Lender Certification is provided in lieu of a reinspection, the following requirements must be met:

- Certification and drive-by inspection must be completed after the incident end date.
- All standard Agency requirements must be met.
- Supporting Documentation: Photos of the exterior and neighborhood, post-disaster, and not from a listing site such as MLS
- Lender Certification must:
  - Be on the Seller's company letterhead;
  - If a VA loan, the certificate must include VA specific verbiage detailed in the above matrix;
  - State an acceptable inspection of the subject property was completed and certify the Seller represents and warrants that the subject property is free from damage and any adverse events were evaluated as it relates to the subject property's marketability, value, and is habitable;
    - Include the subject property's full address (house number, street name, city/town, state, zip code) and RPF's loan number;
    - Be executed by an officer that will not receive loan-level compensation of the Seller's company.

1.44 Government Loans

By sale of a FHA or VA mortgage to RPF, the Seller represents and warrants compliance with the following for all FHA and VA USDA mortgages delivered to RPF:

The Correspondent Seller is required to provide proof of upfront Mortgage Insurance Premium (MIP) or Veterans Affairs Funding Fee (VAFF), has been paid before RPF will purchase the loan. Each government loan conforms to and complies with all applicable HUD/FHA or VA underwriting, lending, selling, and servicing requirements, and all Ginnie Mae requirements for the inclusion of the mortgaged loan in a Ginnie Mae MBS pool.

- Seller has not agreed to and will not agree to a planned refinance.
- Any third-party with whom Seller contracts or otherwise permits to provide a service in connection with a mortgage loan complies with all said government
- agency requirements applicable to Seller, to said third-party, and to the mortgage loan.
- The mortgage insurance premium or the VA Funding Fee has been paid, as applicable,

and the mortgagor is not entitled to any refund of any amounts paid or due under the Promissory Note or the mortgage security instrument/mortgage deed of trust.

- Seller's approval with HUD/FHA or VA, as applicable, is current and in good-standing.
- If the loan is for an FHA-insured mortgage loan, the loan is fully eligible for FHA insurance, and is, or within 60 days of the purchase date by RPF will be, fully insured by HUD or maybe subject to repurchase by the Correspondent Seller.
- If the mortgage loan is to be guaranteed by VA, the loan is fully eligible for a VA guaranty and the Loan Guaranty Certificate (LGC) will be delivered to RPF within 90 days of the purchase date or maybe subject to repurchase by the Correspondent Seller.
- Escrow waivers are not permissible.

1.45 Loan Purchasing

The mortgage file contains each of the documents and instruments specified to be included therein as required under this Seller Guide, and each such document or instrument is in a form specified by this Manual.

1.46 Seasoned Loans

Loans must be delivered for purchase within 30 days of the loan closing date and purchased by RPF prior to the second payment due date. RPF defines a seasoned loan as a loan that has been credited with a maximum of one payment. RPF will not purchase a loan when more than one loan payment has been credited.

1.47 No Impaired, Waived, Altered, or Modifications

The terms of the Promissory Note and the mortgage security instrument/mortgage deed of trust have not been impaired, waived, altered, or modified in any respect from the date of origination, except by a written instrument which has been recorded, if necessary, to protect the interest of RPF.

1.48 Record Security Instrument

Each mortgage security instrument/mortgage deed of trust and all other security instruments securing the mortgage loan have been duly recorded in or submitted for recording in the office of the jurisdiction where the mortgaged loan's subject property address is located.

1.49 Qualified and Authorized Trustee

Any trustee named in the mortgage security instrument/mortgage deed of trust is duly qualified and authorized to serve as such in the applicable jurisdiction and has been properly designated and currently so serves. No fees or expenses are currently due to such Trustee other than any fees or expenses which may be incurred after a default.

1.50 Due-on-Sale

Unless otherwise provided for in the Manual, the mortgage loan contains an enforceable provision for the acceleration of payment of the unpaid principal balance of the mortgage loan in the event the mortgaged loan's subject property is sold or transferred without prior written consent.

1.51 Title Insurance Policy

Title insurance policies must meet the requirements of Fannie Mae and Freddie Mac with each policy to be written on a standard title insurance form. The only acceptable ALTA Title Insurance Policy is the most recent version available, and in any case dated no later than the 1992 version, all of which contain the updated creditor's exclusion statement. Each title insurance policy must be underwritten by a title insurance company that is duly authorized and licensed to issue title insurance in the state where the subject property is located.

The effective date of the title insurance policy must be the same or after the date the mortgage security instrument/mortgage deed of trust was recorded.

The minimum amount of title insurance coverage is the original principal amount of the mortgage loan being insured. The title insurance policy must show the name of the Seller, its successors and/or assigns, or Royal Pacific Funding Inc., its successors and/or assigns.

Title must be free and clear of all liens and encumbrances. The title to the property securing the mortgage loan must be good and marketable. The title policy must not be subject to any exceptions unless stated in this Manual.

Each title insurer is qualified to do business in the jurisdiction where the mortgaged loan's subject property is located. Each such policy shall insure Seller, its successors and assignees to the first (or if indicated by Seller, second) priority of the mortgage, and shall be in the amount of the original principal balance of the mortgaged loan.

Seller warrants they are the named insured and sole insured of such title policy, the assignment to RPF of Seller's interest in such title insurance does not require the consent or notification to the insurer, and such insurance policy is and will remain in full force and effect and will insure to the benefit of RPF.

Seller warrants no claims have been made under such title insurance policy and neither Seller nor any prior holder of the mortgage security instrument/mortgage deed of trust has done anything which would impair the coverage of such title insurance policy, and nothing contemplated in the Agreement, or any transfer to RPF, will impair the coverage of such title insurance policy. In the event a married Borrower wishes to take title to the mortgaged property without his/her spouse, the lien created by the mortgage must be superior to any interest in the mortgaged property the spouse may have under the law or otherwise.

Only the Borrower(s) applying for a mortgage loan are permitted to be on the Promissory Note.

1.52 Survey Requirements

Unless it is covered by a master title insurance policy which insures against loss due to survey-related matters, a plat or improvement survey must be provided. The survey must indicate the location of the subject plot, any easements, encroachments, building lines, street lines, boundary lines, structures, and or improvements.

1.53 Endorsement Requirements

The following endorsements are required, as applicable:

- All loans: 8.1 Environmental Protection
- Condominiums: 115.1; PUDs: 115.2
- Comprehensive endorsement 100 or its equivalent
- Location endorsement 116 or its equivalent

1.54 Instructions to Settlement Agents and Title Companies

Sellers are required to provide settlement agent/title companies with complete and accurate instructions. Settlement agent/title companies are required to adhere fully to all written closing instructions.

Non-compliance to the above will render loans ineligible for purchase by RPF.

1.55 Allowable Vesting

Borrowers may hold title individually, as joint tenants, as tenants in common, or inter vivos (with the exception of Texas Home Equity transactions).

Titles held in the following are not eligible for purchase consideration:

- Corporations;
- Partnerships;
- Real estate syndications; or
- Irrevocable trusts.

Location endorsement 116 or its equivalent

2.0 INSURANCE AGAINST LOST

2.1 Hazard Insurance

The insurance company issuing the policy must meet Fannie Mae guidelines. The insurance company must be authorized by law or licensed by the jurisdiction to transact business within the state where the subject property is located. The mortgaged property and all improvements thereon are insured against any loss by fire and other such hazards as are customary in the area where the mortgaged property is located. The coverage must provide for claims to be settled on a replacement cost basis. Extended coverage must include, at a minimum, wind, civil commotion (including riots), smoke, hail, and damages caused by aircraft, vehicle, or explosion.

2.2 Purchase Transactions

At the time of Closing Package submission, the Seller must provide either a hazard insurance binder with a paid receipt for one full year's premium paid in advance, or the final hazard insurance policy evidencing coverage is paid-in-full and no payment is due.

2.3 Refinance Transactions

Refinance transactions do not need to be paid for one full year, but the next premium due date may not occur for at least 90 days from the date of closing.

Upon purchase of the loan, the Seller is required to send a change of loss payee to the insurance company. The Seller must be prepared to provide evidence the request was sent to the insurance company, if requested. An updated hazard insurance policy listing Royal Pacific Funding Inc. and its successors and/or assigns must be received within 90 days of purchase by RPF.

2.4 Mortgage Clause

Royal Pacific Funding Corp. (ISAOA)

3070 Bristol St. Suite 400

Costa Mesa, CA 92626

Such insurance policy and any other insurance policy related to the mortgage loan or the mortgaged property contains a standard mortgagee clause naming the Seller and its successors and assigns as a mortgagee and loss payee. Each mortgage obligates the Borrower to maintain such insurance at Borrower's cost and expense and allows the mortgagee to obtain and maintain such insurance at Borrower's cost and expense, and to seek reimbursement from Borrower should there be any failure by Borrower to maintain such insurance policy.

Condominiums and attached PUDs require a master or blanket policy covering the project, and a certificate of insurance for each individual unit secured by the loan sold to RPF. If the master or blanket policy maintained by an HOA for the condo project does not cover either the interior of the condo unit or the improvements made by the Borrower to the interior of the condo unit, a HO-6 policy is required.

If a HO-6 policy is required, the insurance policy must provide coverage, as determined by the insurer, sufficient to repair the condominium unit to at least its condition prior to a loss claim event.

PUD units covered under the project's blanket policy must be allowed in the homeowner's association documents and under the blanket insurance policy. The Homeowners Association (HOA) hazard insurance policy must contain the Borrower's name and unit number.

In addition, the HOA must maintain a policy which covers the common areas, fixtures, equipment, personal property, and supplies of the project. Premiums with respect to such policies should be considered a common expense of the related project.

2.5 Condominiums

The certificate of insurance policy must contain the Borrower's name and unit number. An individual hazard insurance policy is not required for a condominium unit. Seller must verify coverage of $1,000,000 is in-force for the entire project before the mortgage loan is delivered to RPF.

For attached PUDs and condominiums, the amount of hazard insurance coverage must be at least equal to 100% of the insurable replacement costs of the project improvements, including individual units. A hazard insurance policy which includes a guaranteed replacement cost endorsement, or a replacement cost endorsement satisfies this requirement. If the hazard insurance policy includes co-insurance clause, an agreed amount endorsement waiving the co-insurance clause is required.

Condominiums and PUDs located in the District of Columbia or any of the following states are exempt:

- Alabama, Colorado, Delaware, Florida, Illinois, Maryland, New Jersey, Pennsylvania, Tennessee, Washington

2.6 Effective Date

The effective date of the policy must be prior to or the same date of the closing.

2.7 Purchase Transactions

The policy must extend for a minimum of 12 months.

2.8 Refinance Transactions

The policy must extend for a minimum of 45 days.

2.9 Deductible

Unless state law requires a higher maximum amount, the maximum deductible may not exceed the higher of $5,000 or five percent (5%) of the face amount of the policy. The deductible clause may apply to fire coverage, extended coverage, or both. When a policy provides for separate wind-loss deductible (either in the policy itself or in a separate endorsement), the maximum deductible amount may not be more than five percent (5%) of the face amount of the policy or five percent (5%) of a PUD unit's replacement cost if the unit is covered under a blanket insurance policy.

2.10 Flood Insurance

The Seller must require flood insurance in connection with mortgages where the subject property is located in a community participating in the National Flood Insurance Program and the property is in a special flood hazard area according to the Flood Hazard Boundary Map (FHBM) or Flood Insurance Rate Map (FIRM). These areas are designated as zones A, E, or M on FHBM or zones A, AO, AH, A1-30, AE,

99, VO, VI-30, VE, V, E, or M on FIRM. Loans secured by properties in these zones must include flood insurance. If subject property is located in a non-participating community under the NFIP, flood protection through a private insurance carrier can be obtained if the insurer meets Fannie Mae's rating requirements. Flood insurance requirements are waived if the subject property improvements are not in the special flood zone area, even though part of the property (land) may be located in a designated flood zone.

The minimum amount of flood insurance for one-to-four unit (1-4) properties is the lower of 100% of the full replacement cost of the insurable improvements, unpaid principal balance of the mortgage loan, or the maximum insurance available from the National Flood Insurance Program.

Sellers must ensure any statements made by the Borrower or Seller in applications for such policies were true, complete, and correct at the time the application was made and no events have occurred since the policy was issued which would affect the stated coverage of the policy.

For condominium loans, a blanket policy of flood insurance in the name of the HOA must be obtained in accordance with Fannie Mae Guidelines. The amount of coverage must equal 100% of each building, including machinery and equipment that are part of the building(s) and 100% of building contents which are owned in common by all homeowners within the project, or the maximum amount available if the required insurance exceeds the maximum insurance available under the National Flood Insurance Program. Mortgage loans secured by properties in a community in the Emergency Program of the NFIP are not required to maintain coverage in excess of the coverage available through the National Flood Insurance Program. Members of the National Flood Insurance Administration (NFIA) must, in the form of a standard policy, issue flood insurance. If flood insurance is required, the mortgage loan must close with one of the following:

- Policy declaration page containing a standard mortgagee clause which must read as described in this manual. Details of the policy must meet all criteria as described in this Manual. Condominiums: 115.1; PUDs: 115.2
- Complete flood insurance policy containing a standard mortgagee clause which must read as described in this Manual. Details of the policy must meet all criteria as described in this manual.
- Complete application to the NFIP with evidence the first year's policy premium has been paid-in-full (purchase transactions only). Details of the policy must meet all criteria as described in this manual.

RPF does not consider ACORD forms, a Certificate of Insurance or Evidence of Insurance sufficient proof of flood insurance.

2.11 Private Insurance Policy for Government Loan Types

- Policy declaration page containing a standard mortgagee clause which must read as described in this manual. Details of policy must meet all criteria as described in this manual.
- If the declarations page contains the "Compliance Job Aid" with the following language; "This policy meets the definition of private flood insurance contained in 42 U.S.C. 4012a(b)(7) and the corresponding regulation," a copy of the complete policy is not required.
- Complete flood insurance policy is required if the declarations page does not contain the Compliance job aid language as described above.

2.12 Private Insurance Policy for Conventional Loans

- Complete flood insurance policy containing a standard mortgagee clause which must read as described in this Manual. Details of the policy must meet all criteria as described in this Manual.
  - The policy must comply with the requirements of the Final Interagency Rules effective July 1, 2019.
- In addition, for any private flood insurance for a FNMA or FHLMC loan, the insurer must meet the rating requirements in the FNMA Selling Guide or FHLMC Seller/Servicer Guide, as applicable, for property insurers.

For loans secured by condominium units that are detached or part of an attached 2-4-unit project, or for which the Fannie Mae High LTV refinance transaction is utilized, the subject Homeowners Association is not required to maintain a master flood insurance policy. The Borrower may maintain an individual flood insurance dwelling policy that meets Fannie Mae's coverage requirements.

2.13 Flood Certificate

Sellers are expected to provide a Life-of-Loan Flood Certificate, preferably from CoreLogic or Service Link. Sellers may utilize any vendor providing life-of-loan coverage.

2.14 Earthquake Insurance

Earthquake insurance is required for any property located, or in close proximately to, a structural fault or in a special seismic study zone. If there is no mention made in the appraisal, survey, or title policy regarding earthquake exposure, earthquake insurance is not required. RPF relies on Seller's representations and warranties that, as of the date a mortgage loan has been purchased, the applicable required dwelling insurance has been obtained and the premium for such insurance has been paid-in- full.

2.15 Additional Coverage

The following additional coverage is required, as applicable:

2.16 Rent Loss

Borrower must maintain rent loss insurance for all two-to-four (2-4) unit investment properties.

2.17 Fraud, AML/BSA, SAR Filing and Reporting to Royal Pacific Funding Inc.

RPF has a Zero Tolerance Fraud Policy and does not tolerate dishonest activity, material misrepresentation or omission(s) of fact, criminal acts, fraud, or any other suspicious activity or theft by any Borrower, Seller Company, Seller employee, mortgage related service provider, mortgage broker, or vendor at any time in the mortgage loan lifecycle.

Sellers are required to immediately report any such event or suspicious activity related to any mortgage loan purchased, serviced, or intended for sale to RPF.

Sellers are required to comply with all applicable Anti-Money Laundering (AML), Bank Secrecy Act (BSA), and USA Patriot Act laws, rules and regulations, including relevant FinCEN rules and requirements for the filing of Suspicious Activity Reports (SARs).

RPF participates in reporting any such findings to investors, governmental agencies, regulators, and other interested counterparties to the mortgage loan transaction, as required and applicable, and requires Sellers to cooperate in the filing, investigation, or prosecution of same.

2.18 Accuracy of Documents

The documents, instruments, agreements, and other information submitted to RPF are not falsified and contain no untrue statement of material fact(s) or omissions of a material fact required to be stated therein, or necessary to make the information and statements therein not misleading. No fraud, error, omission, misrepresentation, negligence, or similar occurrence with respect to a mortgage loan has taken place on the part of any person, including without limitation, the Borrower, any appraiser, any builder, any developer, or any other party involved in the origination or servicing of the mortgage loan. The Seller has reviewed all documents constituting the mortgage loan file and has made such inquiries as it deems necessary to make and confirm the accuracy of the representations set forth therein. If Seller discovers the accuracy of the documents or the information represented therein changes at any time, Seller will immediately notify RPF.

2.19 MERS

In lieu of preparing and recording an assignment of mortgage in the name of RPF, the Seller must register the mortgage loans in MERS within seven (7) days from the Promissory Note date and transfer the ownership after loan purchase to RPF using MERS.

All mortgages and/or deeds of trusts must be MERS as Original Mortgagee (MOM) originated and recorded in the name of MERS or its designee. Seller is required to close loans using MERS as the nominee, including a Mortgage Identification Number (MIN), a unique identification number assigned by MERS, placed on the security instrument.

2.20 Investor and Servicer: Royal Pacific Funding Inc. MERS Org ID #1002899

A MERS transfer of beneficial rights (TOB) and the transfer of servicing rights (TOS) must be initiated by the Seller to Royal Pacific Funding Inc. (MERS Org ID #1002899) and will show in MERS as Royal Pacific Funding Inc. (DE). The Seller must be named as the Servicer and Investor at the time of registration with RPF. Once the Seller receives the purchase wire from RPF, the Seller must then initiate the MERS transfer of TOB and TOS to Royal Pacific Funding Inc. by following the steps outlined in the MERS TOB and TOS Procedures Manual and the MERS Quality Assurance Manual found at https://members.mersinc.org/.

- The TOB and TOS must not be initiated until RPF has purchased the mortgage loan, and no later than two (2) calendar days following the mortgage loan being purchased by RPF.

- NOTE: Transfer date entered when initiating the transaction is the RPF purchase date.

2.21 Tax Service

A completed tax form is required with each loan package.

2.22 Registration

All loans must be registered electronically via Connect.

3.0 LOCK POLICY

3.1 Rate Sheets and Pricing

The target time for rate sheet distribution is 7:45am Pacific Standard Time. Pricing will be driven by economic indicators and current levels in the capital markets. Therefore, rate sheet distribution is subject to occasional delays during times of market volatility. Pricing will be available through CONNECT system during posted hours. Lock period options are posted on the rate sheet.

3.2 Lock Request

All lock requests must be submitted electronically through CONNECT and require a FNMA 3.2 file to register and lock. All lock requests must be received during posted hours. PDF lock confirmations are available for download from CONNECT after the commitment is confirmed.

3.3 Lock Confirmation

Typically, the lock confirmation is available within an hour of lock request. The lock confirmation will contain the lock period, expiration date, loan data used to price the loan, and the final price.

For flow commitments, the expiration date on the lock confirmation is the last day to electronically deliver a complete closed loan file. For bulk commitments, the expiration date on the lock confirmation is the last day for RPF to purchase the loan without extension fees.

The Seller is responsible for the accuracy of the loan data. RPF should be notified of any discrepancies or changes to the locked loan as soon as possible in order for the loan to be purchased. The final purchase price will reflect pricing based on loan data at time of purchase.

3.4 Best Effort Commitments

Best effort flow is the default lock option. A loan initially locked as best effort will remain as best effort and may not be re-locked as Mandatory. Sellers must deliver the full loan package (credit and legal) on or before 11:59pm PST on the lock expiration date.

Upon delivery of a full loan package, RPF will add seven (7) additional days to the expiration date at no cost. The 7 day period will start when RPF delivers the loan purchase disposition to the Seller. The loan must be approved for purchase (all conditions or suspense items cleared) by the new expiration date. If not approved for purchase, RPF will continue to extend the lock for seven (7) calendar days at 15 bps

cost until the loan is approved for purchase. If the Conditions Cleared by date is on a holiday or weekend, it will roll into the next business day. If a full loan package is not delivered, or if a lock is not extended by the expiration date, the commitment will automatically be cancelled, and the price will be subject to the re-lock policy defined below.

3.5 Mandatory Flow Commitments

The mandatory election must be made when the loan is initially locked through CONNECT and at no other time can a loan be converted to a best effort lock. If a loan is locked mandatory and not purchased by RPF, the Seller will be subject to pair-off fees. (See "Pair-Off Fees" section below for calculation.)

Sellers must deliver the full loan package (credit and legal) on or before 11:59pm PST on the lock expiration date. Upon delivery of a full loan package, RPF will add seven (7) additional days to the expiration date at no cost. The loan must be approved for purchase (all conditions or suspense items cleared) by the new expiration date. If not approved for purchase, RPF will continue to extend the lock for seven (7) calendar days at 15 bps cost until the loan is approved for purchase or a total of three (3) extensions have been incurred.

3.6 Mandatory Bulk Commitments

When approved for bulk trades, a Seller may request bulk pricing by sending a bid tape to BidTapes@rpfcorp.com. The expected commitment delivery date will be identified by the Seller when pricing is requested; this date will be the lock expiration date on the lock confirmation.

Loan-level pricing will be returned to the Seller and the Seller will have the option to accept single loan prices or the loan-level pricing on the entire bid tape. Prices are subject to market movement and must be accepted before the 2pm PST.

The portion of the commitment not delivered prior to the expiration date will be charged 15 bps for every seven (7) days, past the original expiration date. Commitments not delivered within 14 days of the original expiration date may be canceled at the sole discretion of RPF. Sellers must deliver the full loan package (credit and legal) on or before 11:59pm PST on the expiration date. Pair-off fees will be assessed at such time. (See "Pair-Off Fees" section below for calculation.)

- Lock hours are from 7:30am to 4:30pm PST.
- Lock periods as shown on the Correspondent Rate Sheet.

3.7 Pair-Off Fees

Pair-off fees will be due from the Seller for the portion of mandatory commitments not purchased by RPF.

A Pair-off fee is calculated as follows:

Pair-off fee = (Amount subject to Pair-off) x (Pair-off adjustment)

Pair-off adjustment =

If…	Then Pair-off adjustment is…
The market price has improved from date of original commitment,	(Extension or re-lock fees) + (difference between market price at date/time of lock and at date/time of pair-off, subject to a minimum charge of 0.125%)
The market price has declined from date of original commitment,	(Extension or re-lock fees) + 0.125%

This amount will be billed by RPF after pair-off of the commitment. The bill must be paid in full within ten (10) days of receipt either by sending a check or wire, or RPF can net-fund the Seller's next loan purchased.

3.8 Corrections and Substitutions

Corrections consisting of social security numbers or property addresses are not allowed after the close of business on the day the loan is locked. If either correction is made after the day a loan is locked, the loan will be subject to our Re-Lock Policy. Substitutions are only allowed for mandatory bulk commitments and are subject to prior approval from the RPF Secondary Desk.

3.9 Pre-Delivery

Extension terms and costs are published on the RPF rate sheet daily. Extensions may be requested through the CONNECT and are available seven (7) days after the original lock request through the day of expiration. A granted lock extension will be applied from the expiration date. An updated lock confirmation will be available to download from the CONNECT as soon as the lock extension is accepted.

It is the responsibility of the Seller to request an extension if the loan will not be delivered by the expiration date. A lock extension request must be submitted before 5pm PST on the expiration date to avoid cancelation. Extension periods of seven (7) and fourteen (14) days are available, and a maximum of two (2) extension requests are permitted for each loan not to exceed a 30 day period.

In the event of pre-delivery lock extension, current posted Agency LLPAs and Delivery Guidelines may be applied if not considered in the original commitment confirmation.

3.10 Post-Delivery

Loans delivered prior to the lock expiration date will not incur extension fees if the loan is approved for purchase within seven (7) days from issuance of conditions – OR – seven (7) days from the commitment

expiration date, whichever is later. Loans approved for purchase after this time frame will be charged 15 bps per seven (7) day extension.

Once delivered, a loan will be extended automatically each seven (7) day period until a combined three (3) post-delivery extensions have been reached. RPF reserves the right to cancel any commitment still not purchased after 30 days from loan delivery or after 30 combined pre- and post-delivery extension days. An exception request to retain the commitment must be submitted before 5pm PST on the 30th day after loan delivery or on the lock expiration date after 30 extension days to avoid cancellation.

For requests not addressed in these guidelines, email the secondary Desk at Secondary@rpfcorp.com.

3.11 Lock Cancellations

It is the responsibility of the Seller to immediately notify the Secondary Desk of any locked loan that will not be delivered. If the loan was locked as a mandatory bulk commitment, the Seller may substitute a similar loan, or the Seller will be subject to pair-off fees.

3.12 Re-Locks

A re-lock is a new lock request for a loan that has expired or was previously cancelled. A re-lock may be requested by submitting an email to the Secondary Desk at Secondary@rpfcorp.com. The re- lock price is calculated using the corresponding option below:

- For re-locks requested less than 45 days after the rate lock expiration date or cancellation date, the lowest price of the following scenarios will be used to reinstate the lock:
  - 'Original lock price', less any extension fees that would be necessary to bring the lock current, less extension cost for desired re-lock period.
  - 'Current market'. Defined as the rate sheet price on the day the re-lock is processed for applicable program, rate and commitment period. If desired re-lock period is not reflected on the rate sheet, pricing from the next sequential commitment period offered will be used. LLPAs will apply per loan criteria.
- For re-locks requested 45 days or more after the rate lock expiration date or cancelation date, the policies for initial locks will apply. Pricing will be subject to current market and no re-lock fees will be applied.

A re-lock will be subject to the following guidance:

- All re-locks are subject to current RPF product eligibility guidelines. Loans not meeting current product guidelines will not be eligible for re-lock. Rates that are not listed on the RPF rate sheet will not be eligible for re-lock.
- Available relock periods are 7, 14, 21, or 28 days and are subject to the same extension policy as initial locks.
- Only one relock is permitted per loan. If a 2nd relock is needed, submit an exception request to Secondary@rpfcorp.com.
- If the loan is canceled prior to the lock expiring then re-established as a new loan, the same relock policy and fee structure will be applied.
- Loans initially locked Best Effort may not be re-locked as Mandatory.
- In the event of re-lock, current posted Agency LLPAs and delivery guidelines may be applied if not considered in the original commitment confirmation.

- Mandatory commitments are not eligible for a re-lock using the calculation above. If a Seller requests to re-establish an expired mandatory commitment, RPF will update pricing in lieu of a traditional pair-off invoice for the original commitment.

3.13 Underwriting Guidelines

RPF follows the standards and guidelines of the applicable agency with the following restrictions:

3.14 Conventional – Fannie Mae & Freddie Mac

- Please see Conforming Overlay Matrix

3.15 FHA & VA

- Please see FHA/VA Overlay Matrix

3.16 Principal Reduction on FHA Loans

If there are any principal reductions listed on the Final Closing Disclosure, the Seller must update FHA Connection and provide a Mortgage Insurance Certificate (MIC) for RPF to consider the loan eligible for purchase.

If the principal reduction is applied after closing, the file must include documentation that indicates the amount of the principal reduction and the reason or source of the reduction.

RPF will not purchase a loan past the 15th calendar day of the month when the next payment due would be the following month. A loan could be purchased based on the unpaid principal balance deducting the following month's payment.

EXAMPLE: Loan scheduled for purchase on 1-13-2020

- Loan can be purchased with the next payment due to RPF on 3-1-2020
- Loan will not be purchased with the next payment due to RPF on 2-1-2020

3.17 File Requirements – Fraud Detection, AVM, and Compliance

RPF requires an electronic fraud detection report and compliance test included on all loans delivered for purchase review. In addition, Conventional loans containing an appraisal report must have documentation to support the appraised value.

3.18 Electronic Fraud Detection/Quality Control Report

Royal Pacific Funding will accept most standard electronic fraud detection reports, including Interthinx Fraud Guard, CoreLogic LoanSafe, DataVerify, and Lexis Nexis. Report findings must cover standard areas of quality control, including Borrower validation, social security validation, property information, and MERS.

3.19 Fannie Mae CU

RPF requires all Sellers to submit the Collateral Underwriter (CU) Submission Summary Report (SSR) on all conventional files when submitted for purchase consideration. In order for RPF to access the information in the Collateral Underwriter (CU), the Correspondent must select RPF from the aggregator drop down list in the UCDP which permits sharing of data.

All SSR quality and/or overvaluation flags with a risk score between 4.00 and 4.99 must have the appropriate steps taken to ensure the validity of the value on the appraisal. Proper documentation may include, but is not limited to, comments from the underwriter, comments from the appraiser, field review, and/or a desk review. Additional discretion may be required in evaluating the validity of flags generated by appraisals on new construction, as the most up to date mapping information may not be available for the system to accurately evaluate comparable sales.

Loans with collateral underwriting score of 5 due to heightened risk of overvaluation are ineligible for purchase.

If a CU risk score cannot be generated, a "999" will be returned and a message will provide more specific information about why the appraisal could not be scored. Some "999" messages can be resolved (for example, if there is a simple data entry error). If it is not a data entry error, the appraisal should be carefully reviewed by the Seller before delivery to RPF. It is the Seller's responsibility to properly document what steps have been taken to ensure that the value is supported.

Should Fannie Mae or Freddie Mac send a repurchase demand for unsupported collateral value the seller will be asked to repurchase the loan.

3.20 UCDP, SSR, for Conventional Loans with Appraisals

- RPF requires that appraisals for all Conventional Fannie Mae and Freddie Mac loans be successfully uploaded to the Uniform Collateral Data Portal (UCDP) by the Correspondent Seller.
- A "successful" status on the Submission Summary Report (SSR) must be received when the closed loans is delivered to RPF for purchase.

3.21 SSR Compliance Flag:

The issuance of a Compliance Flag by CU is an indication that there is something within the appraisal or

associated data that would make that loan ineligible for delivery to RPF. These flags are very rare and must be addressed clearly and directly when they are returned on the CU findings. The flags are often a result of discrepancies, such as illegal zoning, illegal use, commercial space, more than 4 units,

etc. Whenever a flag is encountered, the Seller must review the finding to determine its validity and the appropriate course of action. The Seller should exercise caution before approving a loan pending a correction to this information, as the appraisal makes the property ineligible. If the appraiser, due to a typo or other error, makes a correction, the new data must be uploaded through UCDP and the report should be reviewed again through CU messaging to ensure that the issue has been resolved.

3.22 UCDP Hard Stop Override:

UCDP issues hard stops that can be manually overwritten. Sellers will receive a “Not Successful” status when one or more of the 21 possible appraisal messages are issued. Sellers are required to review the appraisal message(s) to verify that the information is correct as submitted, or if a new or corrected appraisal is submitted, detailed and/or acceptable explanations for issues raised are provided. If the information is verified as correct, and it is determined that there is no impact on loan eligibility, the Seller may request a manual override and provide a reason code to change the submission status to “Successful” in UCDP. The Seller must fully document the acceptability, rationale and reasoning for the override.

A list of hard stop codes can be found on the UCDP section of the Fannie Mae website: https://www.fanniemae.com/content/user_guide/ucdp-user-guide-fannie-mae-messaging.pdf

To ensure Fannie Mae and Freddie Mac compliance, RPF requires the following on all loans submitted with a Promissory Note date on or after September 25, 2017:

- Sellers are required to submit the Uniform Closing Dataset (UCD) XML file to both GSEs and provide the UCD Findings Report (for Fannie Mae loans) and the Loan Closing Advisor Feedback Certificate (for Freddie Mac loans) with the closed loan package.
- To avoid any delays with loan review and purchase, both the Findings Report and Feedback Certificate should not reflect any fatal errors or critical warning messages that could result in salability issues with the GSEs.
- If the Final Disclosure is updated for any reason after submission, Sellers will be required to resubmit the loan to the UCD portals and provide an updated Findings Report and Feedback Certificate to RPF.

For additional information, please visit Fannie Mae’s and Freddie Mac’s UCD Implementation webpages.

3.23 Escrow Holdbacks

Not allowed for any of our products. Exceptions for weather related requests will be considered on a case by case basis.

3.24 Pre-Payment Penalties

RPF does not allow loans with pre-payment penalties.

3.25 Exclusionary Lists

RPF does not publish an exclusionary list. Sellers should reference Fannie Mae and Freddie Mac exclusionary lists, LDP/GSA lists, and the OFAC SDN list. All parties to the transaction must be run through the applicable exclusionary lists. RPF reserves the right to exclude a closing agent at any time during a transaction.

3.26 Conventional (Fannie Mae) Electronic Mortgages

Not allowed.

3.27 Hybrid Closed Loans

Not allowed.

3.28 Underwriting Reminder

- All loans except IRRRLs must be evaluated using DU or LPA and receive an Approve/Eligible or Accept finding and comply with VA requirements and the overlays within this Manual. In some instances, even if a loan receives an Accept/Eligible rating, certain characteristics may require a manual downgrade. In this case the loan will be unacceptable and will not be considered for purchase.
- AUS Refer loans which meet VA guides are not eligible.
- IRRRLs must be manually underwritten.
- IRRRL income does not need to be verified; however, employment must be listed on the Loan Application (1003) and a verbal verification of employment (VOE) must be completed.

3.29 Loan Delivery

RPF accepts loans for purchase from approved Correspondent Sellers that meet the guidelines of this Manual, any updates or announcements which amend such guidelines, and the Correspondent Loan Purchase Agreement executed by RPF and the Seller. All loans must be delivered with the requirements of this Manual and will be reviewed for purchase. In the event closing issues arise which are not addressed in this Manual, please contact Support@rpfcorp.com. for assistance.

3.30 Royal Pacific Funding Inc. Agency ID Numbers

FNMA: 29454

FHLMC: 205197

FHA: 25799-0000-6

VA: 902947-0000

3.31 Delivery Instructions

All loans must be delivered electronically via Connect. Sellers may reference RPF's "How to Navigate CONNECT" tutorial for step-by-step instructions or contact our Help Desk for delivery support at Support@rpfcorp.com.

3.32 Closing Documents

All closing documents must be error-free. Seller must use mortgage loan documents that comply with all requirements of the applicable mortgage loan program, as well as all applicable federal, state, and local laws and regulations. Sellers must use the most current Fannie Mae, Freddie Mac, FHA, VA Promissory Note and security instruments, including all applicable riders and addendums.

3.33 Note Date Tolerance (Aged Loans) and Max Delivery to Purchase Turn Time

Promissory Note dates must be less than 30 days prior at the time of loan submission (complete credit and legal package). Note dates that exceed the 30-day tolerance may be subject to a pricing exception. Exception requests should be sent to Support@rpfcorp.com prior to loan submission, including Borrower's last name, loan type, note date, and complete explanation of why the note is seasoned. RPF Support will confirm approval and applicable pricing adjustment, subject to review and approval of complete loan package.

Additionally, all loans must be Approved for Purchase no later than 35 days after the loan delivery date. Loans that are in Conditions Outstanding status, and not Approved for Purchase on the 35th day will automatically be canceled in RPF's systems and may be subject to pair-off fees, unless an exception has been approved. Exception requests must be submitted to the RPF Secondary Desk (Secondary@rpfcorp.com) and approved prior to end of business on the 35th day.

3.34 First Payment Date

Except for mortgage loans with interest credit up to seven (7) days, the first payment date on the Promissory Note must be due one full month after the last day of the month in which the loan is closed. Loans with first payment dates greater than 61 days form the Promissory Note date are not eligible for purchase by RPF.

3.35 Promissory Note Modifications

Promissory Notes cannot be modified and/or altered after the loan has been purchased by RPF.

3.36 Corrections to Documents

No white-out or corrective coverings of any kind are allowed. Only a strikeout (strikethrough) that has been initialed by each Borrower may be used to correct clerical typing errors.

3.37 Notary

The notary signature must be on the line provided for the notary. The notary must comply with all applicable state laws and the notary license must be current. The notary seal must be prominently displayed, and the expiration date must be visible. The notary stamp must be clear and legible.

3.38 Note Endorsement

The Promissory Note must be endorsed via an Allonge to Royal Pacific Funding Inc. and signed by an authorized Officer of the Company.

The Allonge must contain the Seller's name, loan number, loan amount, Borrower's names, subject property address, date of Promissory Note and executed by an authorized Officer of the company. The data on the Allonge must match the Promissory Note exactly.

All closing packages must include a scanned copy of the original Allonge. Original Allonges should be mailed directly to Seller's warehouse bank. If an Allonge was not provided, an original Promissory Note endorsed to Royal Pacific Funding Inc. must accompany all collateral packages. Allonges must be properly endorsed to Royal Pacific Funding Inc. or Royal Pacific Funding Inc. without recourse. Handwritten corrections are not acceptable.

3.39 Mortgage Insurance Premium and VA Funding Fee

It is the Seller's responsibility to remit the Upfront Mortgage Insurance Premium (UFMIP) to HUD and the VA Funding Fee (FF) to VA within 10 days of closing.

On FHA loans, the Seller is responsible for payment of the monthly Mortgage Insurance Premium (MIP), from the initial UFMIP payment through the month that RPF purchases the loan. If the mortgage loan is purchased prior to the first payment due date, RPF will be responsible for all monthly MIP payments on the mortgage loan.

3.40 Universal Loan Identifier (ULI)

For delegated transactions, the Financial Institution (Seller) that makes the credit decision is required to create and provide the Universal Loan Identifier (ULI) to RPF. The ULI has three components:

- The ULI must begin with the financial institution's Legal Entity Identifier (LEI)
  - The LEI is a unique 20-digit alphanumeric identifier issued by a utility endorsed by the LEI Regulatory Oversight Committee or endorsed or otherwise governed by the Global LEI Foundation.
  - A LEI may be obtained by going to: https://www.gleif.org/en/about-lei/how-to-get-an-lei-find-lei-issuing-organizations
- Following the LEI, the financial institution must assign 23 additional characters to identify the loan which:
  - May be letters, numerals, or a combination of letters and numerals.
  - Must be unique within the financial institution.
  - Must not include any information that could be used to directly identify the applicant or borrower.
- The ULI ends with a two-character check digit. The formula for creating this check may be referenced in Appendix C of the 2015 HMDA Rule.

3.41 Servicing Transfer

RPF purchases all loans on a servicing-released basis. With respect to mortgage loans sold to RPF servicing-released, Seller must notify each Borrower and applicable insurer within five (5) days of the sale of the mortgage to RPF. All disclosure and notification to the Borrower(s) must meet current applicable federal, state, local, and regulatory requirements, including but not limited to, RESPA notices of servicing transfer regulations.

The effective transfer of servicing date is essentially the date of first payment due to RPF. RPF will send a Welcome Letter to the Borrower(s) after the loan purchase. Borrowers may contact RPF's Servicing Division using the information below:

Servicing Toll-Free	(800) 208-7380 Option 1 - Servicing
Servicing E-Mail Address	Servicing@rpfcorp.com

Any payments due to RPF that is received by Seller from the Borrower after the loan purchase must be sent to RPF immediately, at the below address:

Royal Pacific Funding Inc.
3070 Bristol Street
Suite 400
Costa Mesa CA 92626

It is highly recommended that Sellers sign into Connect after the loan has been purchased to find the new Servicing Loan Number and provide it to the Borrower(s).

3.42 Misapplied Payments

Misapplied payments shall be processed as follows:

- All parties shall cooperate in correcting misapplication errors;
- The party receiving notice of misapplied payment which occurred prior to the purchase date and discovered after the purchase date shall immediately notify the other party;
- If a misapplied payment which occurred prior to the purchase date cannot be identified and such misapplied payment has resulted in a shortage in an escrow (or other) account, the balances of which are being transferred to RPF, the Seller shall be liable for the amount of such shortage. The Seller shall reimburse RPF for the amount of such shortage.
- If a misapplied payment which occurred prior to the purchase date has created an improper purchase price as result of an inaccurate outstanding principal balance, a check shall be issued, or funds will be wired to the party adversely affected by the improper payment application.

Whichever party discovers the misapplied payment will notify the other, and the parties will then comply promptly with this paragraph.

3.43 FHA Mortgage Record Change

Seller is responsible for executing a Mortgage Record Change to Royal Pacific Funding Inc. in FHA Connection. To report servicer/holder transfer, Seller must log into FHA Connection to complete the transfer. To get to the Mortgage Record Changes menu, sign into FHA Connection and follow this menu path: Single Family FHA Single Family Servicing Mortgage Record Changes. Mortgage Record Changes must be completed within 15 days from the date of purchase.

On the "Mortgage Record Changes" menu, click Servicer/Holder Transfer (HUD form 92080) and the servicer/holder page appears. Enter the FHA Case using the format of 123-4567890, including the dash. Enter the original mortgage amount, including UFMIP; DO NOT enter the dollar sign ($) or a comma. Enter the first five digits of Royal Pacific Funding Inc. Seller ID of 2496700008 into the Holding Mortgagee and New Servicing Mortgagee fields. Enter date of transfer. Refer to the Mortgage Record Change topic within the FHA Connection Guide for additional instructions on how to complete the transfer.

3.44 Interest Credit at Closing

Mortgage loans with interest credit up to seven (7) days on the Final Closing Disclosure is acceptable; loans with any more than seven (7) days will not be purchased.

3.45 Owner Occupancy Agreement

An owner occupancy agreement is required on all mortgage loans where the Borrower(s) are going to reside in the subject property. Generally, the Borrower(s) must occupy the property within 60 days of closing and at all times thereafter for a minimum of one year (12 months). In addition, the mortgaged property must be lawfully occupied under applicable law. Seller must ensure that all inspections, licenses, and certificates required to be made or issued with respect to all occupied portions of the mortgage property, and with respect to the use and occupancy of the same, including but not limited to, certificates of occupancy, have been made or obtained from the appropriate authorities and no improvement located on or part of the mortgaged property is in violation of any zoning law(s) or regulation(s).

Power of Attorney (POA)

Closing documents may be executed with a Specific Power of Attorney (POA) which complies with all

applicable laws and agency requirements, provided the following conditions are met:

- The POA can be used for closing documents only and is not acceptable for loan application and/or credit verifications purposes.
- Authorization is for the attorney-in-fact to perform specific functions related to the real estate financing, or it must be specific to the subject property. The attorney-in-fact may not have any direct or indirect financial interest in the transaction. A statement is provided that the POA is in full-force and effect on the date of the closing of the subject property loan transaction, survives subsequent disability (durable), and has to be revoked in writing, or a specific expiration date is stated which survives the closing date.
- A statement is made of the grantor's (Borrower's) name exactly as it will appear on all closing documents. Notarized signature of grantor appears (if executed outside of the U.S., it must be notarized at a U.S. Embassy or military installation).

- The recorder's stamp appears, if previously recorded. The POA must be dated no more than 120 days prior to the loan closing date.
- The attorney-in fact must execute all closing documents at settlement.
- The Title Company must ensure that the Seller is in first lien position, without exception to the POA.
- The POA must be recorded immediately prior to the closing documents.
- The POA must be legally enforceable in the local/state jurisdiction.

NOTE: The VA has very specific requirements for loans closed using a POA. All loans must be closed in accordance with VA's policies, including completion of an Alive and Well Certification by the Correspondent Seller.

4.0 SIGNATURE REQUIREMENTS FOR POA's

4.1 Signature

The attorney-in-fact must sign the Borrower's name on all signature lines, with the POA signature underneath, followed by, "as attorney-in-fact," next to the POA signature.
(e.g. John Doe by Mary Doe, as attorney-in-fact)

4.2 Initials

Where Borrower initials are required, the POA must do as follows (no exception): write the Borrower's initials, followed by the POA initials underneath, and with the following verbiage next to the POA's initials "as attorney-in-fact" (e.g. JD by MD, as attorney-in-fact).

4.3 Escrow Payments

Seller must ensure that the origination, servicing, and collection practices with respect to the mortgage loan have accorded in all material respects with accepted mortgage origination and servicing practices of prudent lending institutions, applicable laws, and regulations, and have been in all material respects legal and proper. With respect to escrow deposits and escrow payments, all such payments must be in the possession of Seller and no deficiencies exist in connection therewith for which customary arrangements for re-payment thereof have not been made. Seller must confirm that all escrow payments have been

collected in full compliance with state and federal law, and the provisions of the related Promissory Note or mortgage. Seller must ensure that an escrow of funds is not prohibited by

applicable law and that such has been established in an amount sufficient to pay for every item that remains unpaid and has been assessed but is not yet due and payable. No escrow deposits or escrow payments, or other charges or payments, due the Seller have been capitalized under the mortgage or the Promissory Note. Any interest required to be paid pursuant to state, federal, and local laws has been properly paid and credited.

4.4 Real Estate Taxes

RPF will charge a Tax Service Fee for each loan purchased in accordance with the following tax payment rules:

- All payment of real property taxes and special or supplemental assessments must be current prior to closing the mortgage loan. Adequate escrow funds, when required, must be collected in compliance with all applicable laws to ensure the payment in full of real estate taxes and all other taxes and assessments by the due date.
- Seller must pay any unpaid taxes that will become due within 60 days of the closing of the mortgage loan as shown on the Final Closing Disclosure, or 45 days from the purchase date of the mortgage loan.
- The Legal Document Package must include a fully completed Tax Information Sheet, itemizing tax payee, amount of taxes, and next due date. In addition, a copy of the payment history must be provided with the delivery of the loan file as verification prior to purchase.
  Example: California Loans – In cases/scenarios where taxes are due on the same day the first payment date of the mortgage is due, RPF requires evidence the taxes those paid
- For any loan requiring Seller to pay a tax bill subsequent to the closing of the mortgage loan but prior to the purchase of the mortgage loan by RPF, the mortgage loan file must include reasonable evidence that such tax bill was paid. RPF or its successors or assigns will pay all real estate taxes, which are not the responsibility of the Seller, as described in the preceding bullet points. Seller will be responsible for all tax penalties incurred by RPF arising from the delinquent payment of real estate taxes due.
- Seller must pay RPF within 45 days of the purchase of the applicable mortgage loan, if such delinquency was caused by delays in procuring the available tax bills from the tax authorities. For mortgage loans with delinquent taxes prior to the purchase of the loan by RPF, Seller must provide reasonable evidence that such taxes, together with any applicable penalties, have been paid in full.
- All funds collected for the purpose of paying real estate taxes by the Seller after the purchase of the loan by RPF or any third party must be submitted to RPF within three (3) days after receipt of the funds.

4.5 Escrow/Impound Accounts

Unless prohibited by applicable law, Seller must, pursuant to the guidelines set forth in this section of the Manual, establish an escrow/impound account for each mortgage loan sold to RPF. The Seller is responsible for complying with all applicable federal, state, and local laws and regulations relating to the creation of escrow/impound accounts, and prior to the transfer of the escrow/impound account to RPF, the maintenance thereof. The escrow/impound account must contain a two (2) month escrow cushion for all items, with the exception of mortgage insurance, for which no cushion is required to be established. Sellers must comply with the appropriate state requirements when delivering loans to RPF.

4.6 Allowable Escrow/Impounds

The following items are permitted for inclusion in the escrow/impound account:

- Real Estate Taxes
- Hazard Insurance Premiums
- HO-6 premiums
- Flood Insurance Premiums
- Mortgage Insurance Premiums

4.7 Unallowable Escrow/Impounds

The following items are not held or paid for from an escrow/impound account:

- Ground Rents
- Water and Sewer Taxes
- Homeowners Association Dues
- Fire Hydrant Taxes
- Refuse Taxes
- Tax Service Fees
- Special Assessments
- Hazard Insurance Premiums for Condo/PUD properties (only if insurance is paid by the HOA)

4.8 Escrow Waiver

RPF encourages the establishment of an escrow account for the payment of taxes and insurance, on all loans. However, unless required by law, lenders may waive escrow account requirement for borrowers on conventional loans. Lenders cannot waive an escrow account for refinance transactions where the borrower is financing real estate taxes in the loan amount or for the payment of premiums for borrower-purchased mortgage insurance (if applicable).

Seller's waiver of the right to collect escrow/impound funds must not impair the right of RPF to subsequently enforce the escrow provision contained in the mortgage loan documents, in the event the Borrower fails to pay taxes, insurance, or other required items.

5.0 PARTIAL ESCROWS/IMPOUNDS

5.1 Conventional Loans

On a Conventional loan, an impound/escrow account for some hazard insurance premiums can be waived and a partial impound/escrow account may be established for flood insurance and real estate taxes only, at no additional cost. When flood insurance is required, federal law requires Flood Insurance premiums to be paid via an escrow account.

5.2 FHA and VA Loans

Partial impound/escrow accounts are not allowable, and therefore, not available for purchase review.

5.3 Bailment Requirements

A bailment letter for which the warehouse bank or Seller asserts security interest must be delivered to RPF for each mortgage loan. Upon the purchase of the loan, the seller must make the security interest of the mortgage loan effective to RPF, satisfying the following requirements:

- An individual bailment letter or trust receipt (in either case, referred to hereinafter as the bailee letter) must be delivered to RPF on each mortgage loan for which the warehouse bank or Seller asserts security interest. If a bailee letter covers more than one mortgage loan, a copy of the bailee letter must be included in each applicable mortgage loan file, with the relevant information for the related mortgage loan highlighted.
- The bailee letter must be signed as follows:
  Royal Pacific Funding Corp (address follows)
- The Bailee Letter must clearly identify:
  - Seller's name – the Lender
  - Investor – Royal Pacific Funding Inc.
  - Seller's loan number for each loan included in the bailee letter
  - Name or last name of the Borrower(s)
  - Principal balance of the mortgage loan
  - Exact wiring or payment instructions
- The bailee letter must be attached to the promissory note and delivered to RPF. If a bailee letter or trust receipt is sent separately from the applicable promissory note, a bailment or trust arrangement is not established and a security interest in the mortgage loan is not perfected.
- The bailee letter and the Promissory Note must be delivered to Royal Pacific Funding Inc. on or before the applicable delivery date.

NOTE: Incorrect delivery of a collateral package, bailee letter, and promissory note will not establish an agreement and may cause a delay in purchasing the mortgage loan file. If the collateral package provided is incomplete or contains inaccurate information, the bailment agreement will not be established and a delay of the funding of the related mortgage loan may result.

5.4 Reverse Bailee

RPF will accept reverse bailee from approved warehouse lines; however, the Seller must ensure that the original collateral is delivered to RPF within 72 hours of the purchase date.

5.5 Original Note Endorsement or Allonge

Every loan delivered and locked with RPF is conditioned for the following:

- Original Promissory Note (endorsed via Allonge to Royal Pacific Funding Inc.)
  - Royal Pacific Funding Inc.

  - Without Recourse (Correspondent Seller)
  - (Signature of Officer)
  - (Officer's Name and Title)
- The original Note, Bailee Letter, and Allonge should be sent to:
  - US Bank ???

5.6 Document Delivery

Correspondent must upload collateral documents in the RPF Portal. If a document must be re-recorded per an exception, this must be stipulated as a condition and corrected before RPF will purchase the loan.

Collateral documents must include at minimum:

Certified copy of the Note with any applicable addendums, endorsement to RPF or an Allonge

- Certified copy of the Security Instrument/Mortgage/Mortgage Deed of Trust and all applicable riders (optional)
- Copy of MERS registration naming Royal Pacific Funding Inc. (optional)
- Copy of the Title Commitment (optional)
- Wire Instructions
- Closing Protection Letter (CPL) (optional)

Send collateral documents in a manila folder to the address below and write the loan number on the outside of the folder.

Royal Pacific Funding Corp (address follows) US Bank???

5.7 Sweeps or Client-to-Client Transactions

If the Seller uses a joint warehouse bank with RPF (e.g. First Horizon, Bank Of Hope or Texas Capital Bank), Seller may provide a print screen from the warehouse bank to indicate the collateral is dry.

Sellers must request internal shipping to RPF through the warehouse bank in order for RPF to purchase the loan as a sweep transaction. If the original Promissory Note at the warehouse bank is not endorsed to Royal Pacific Funding Inc., the Seller must send an Allonge endorsed to Royal Pacific Funding Inc.

5.8 Third Party Originated Loans

Mortgage loans originated by Seller must be properly closed in the Seller's name and in compliance with all applicable laws, rules, and regulations. Sellers that have been approved to sell Royal Pacific Funding Inc. mortgage loans originated by Third-Party Sellers (TPO Loans) must make all of the representations, warranties, and covenants set forth in this Manual to the same extent as if the Seller were the originator of the mortgage loan. Sellers must own the third-party originated mortgage loan as of the date such mortgage is delivered to RPF for purchase.

5.9 Closing File Review

Files will be reviewed by the RPF Correspondent Lending Department for compliance with federal and state regulations and underwriting guidelines. For each loan submitted for purchase, RPF will provide the Seller with a purchase decision and any conditions to be cleared prior to purchase of the loan.

The loan review includes, but is not limited to, the following (if applicable):

- Verification of all data that was submitted for each loan.
- Confirmation of the loan's compliance with the applicable underwriting & product eligibility.
- Verification of Seller's compliance with federal and state regulations.
- Verbal verification of employment, including third-party source confirmation.
- Review and confirmation of Closing Protection Letter and Final Closing Disclosure.
- Review of program specific forms and documents as required by Fannie Mae, HUD, and VA.

For any loan failing to meet RPF delivery requirements, the Seller will receive written notification of the defects and shall submit corrected documentation to RPF by the applicable delivery deadline.

For loans with defects that cannot be corrected by the delivery deadline, the Seller may extend the commitment in accordance with this Manual.

5.10 4506-T Transcript Policy

For Fannie Mae, Freddie Mac, FHA, and VA loans, W2 or 1099 IRS transcripts are not required for: (1) wage- earner Borrowers; (2) fixed income, such as long term disability, social security, retirement etc. (if alternative documents such as the award letter, SS benefits letter, 1099, bank statements are provided); or (3) commission income less than 25% of the Borrower's total earnings.

IRS tax transcripts are required when qualifying with any of the following: 1) self-employed income; 2) commission income greater than 25% of the Borrower's total earnings (except for VA and FNMA programs); 3) rental income documented on schedule E; 4) employed by a family owned business; or 5) fixed income when the 1040s are used in lieu of alternative documentation.

Tax transcripts are still required when the following are used to qualify: 1) non-taxable income, other than VA disability income, is grossed up; 2) other income types such as auto allowance, capital gains/losses, dividend/interest, or farm income/loss; 3) handwritten income documentation; 4) loan files where there is a relationship between the Borrower and an interested party of the subject transaction such as Seller, or Loan Officer, or employee of a Mortgage Broker; or Seller has a relationship to the Loan Officer.

As a reminder, full 1040 transcripts for the most recent two years are needed on all FHA loans that have a prior Mortgage Credit Reject by a Lender for DTI or income.

Additional guidance for certain scenarios:

- If FraudGuard or any other similar fraud tool shows self-employment or ownership of another property, full transcripts are required.
- If AUS requires 1040s for any reason, full transcripts will be required.

- If Borrower's current home is a multi-family or Borrower owns rental property, full transcripts are required.
- For Borrowers that are filing taxes jointly, if one Borrower is W2 and one Borrower is receiving nontaxable income (other than VA disability income) that is grossed up, full transcripts are required.

5.11 Taxpayer First Act

When tax return information is used during the origination process, sellers must obtain express consent from the borrowers through the use of Consent to the use of Tax Return Information Disclosure. The disclosure must be included in the loan package delivered to RPF.

5.12 Mortgage Loan Purchase

Generally, RPF will purchase acceptable mortgage loans within a reasonable amount of time from receipt of the mortgage loan file for review. To meet this commitment, RPF requires a mortgage loan file that is in a purchasable form. Loan submissions that are incomplete may delay the purchase of the mortgage loan.

5.13 Decline to Purchase

RPF may, at its sole and absolute discretion, reject any mortgage loan for purchase for any reason, including but not limited to:

- Failure of the mortgage loan to meet RPF's published loan parameters;
- Failure of the mortgage loan to satisfy all applicable underwriting standards
- Improper documentation of the mortgage loan;
- Suspected fraud or suspicious activity in the origination of the mortgage loan;
- Any breach of any other representation, warranty, or covenant made with respect to the mortgage loan as stated in this Manual or the Agreement.

5.14 Suspense Conditions

Sellers may log into Connect and view loan-level suspense conditions in one of the following ways:

- Locate the loan in CONNECT and click on "View/Upload Condition;" or
- Locate the Seller-specific suspense report under the "Report" tab

Suspense conditions and reports are updated throughout the day and should be monitored by Sellers. Loans must be purchased within 45 days of being conditioned or the loan will be canceled and not eligible for sale to RPF.

5.15 Purchased Proceeds

RPF net funds loans based on the calculation:

- Principal Balance Purchased times net lock price
- Base price (SRPs included in base price) as noted in the Lock
- Addition of any applicable pricing incentives
- Decrease for any applicable price adjustments
- Increase or decrease for accrued interest
- Decrease for escrow accounts
- Decrease for any outstanding unpaid fees due to RPF
- Decrease for RPF's fees, such as the Admin Fee

5.16 Principal Balanced Purchased

The principal balance of the loan on the Purchase Date will be calculated based on the effective date of the transfer of servicing or ownership as described below:

- Loans purchased on or before the 15th of the month will have an effective transfer of servicing or ownership date as of the first of the month following the purchase date. The principal balance purchased will be the scheduled principal balance.
- Loans purchased on or after the 16th of the month will have an effective transfer of servicing or ownership date as the first day of the month subsequent to the month coming after the mortgage loan purchased date.

The principal balance purchased will be the scheduled principal balance minus any principal reductions minus any principal portion of such payment on or after the cutoff date noted above. The Seller will be entitled to retain the monthly payment due on the first day of the month following the month of purchase. As mentioned above, a pay history will be required even after the purchase of the loan.

5.17 Accrued Interest

If RPF purchases a loan on or after the first day and on or prior to the 14th day of the month, RPF will pay the Seller accrued interest at the interest rate stated in the applicable Promissory Note, from the first day of the month of purchase through the day prior to the date of purchase (and RPF will be entitled to receive the monthly payment due on the first day of the month following the month of purchase). The purchase price proceeds paid by RPF will be increased by an amount equal to interest accrued at the interest rate stated in the applicable Promissory Note from the first day of the month of purchase through the day prior to the date of purchase.

If RPF purchases a loan on or after the first day and on or prior to the last day of the month, the Seller will pay RPF accrued interest at the interest rate stated in the applicable Promissory Note, from the date of purchase through the last day of the month of purchase (and the Seller will be entitled to retain the monthly payment due on the first day of the month following the month of purchase). The purchase price proceeds paid by RPF will be reduced by an amount equal to interest accrued at the interest rate stated in the applicable Promissory Note, from the date of purchase through the last day of the month of purchase.

Accrued interest to be paid by the Seller as described above will be calculated by multiplying the unpaid principal balance purchased by RPF by the loan's interest rate, divided by 360 and multiplied by the applicable number of days, as described above.

5.18 Post-Purchase

Seller must issue all Borrower notifications no less than 15 days before the effective date of the transfer of servicing duties and must:

- Indicate the date on which the servicing duties are to be transferred, which shall be the same date as the date on which payments are to commence to the Servicer.
- Identify the date seller will no longer accept payments on the mortgage loan and the date on which payments are to commence to the new Servicer.
- Identify the transferee of the servicing duties. Provide Seller's name, complete address, appropriate department name, and a toll-free or collect call telephone number, which the Borrower(s) may call with questions.
- Direct the Borrower(s) to forward future payments to the servicing processing center. Notify the Borrower(s) that the transfer does not affect any terms or conditions of the mortgage loan other than those related to servicing. Comply with all applicable federal and state laws.
- Address any questions related to wire or Purchase Advice calculation to support@RPFcorp.com, being sure to include the PA and loan number.

5.19 Post-Purchase Adjustments

Royal Pacific Funding reserves the right to levy post-purchase adjustments at any time for item(s) that have a direct impact on RPF. Such items may include pricing, escrows, UPBs etc.

Sellers may request Purchase Advice Reconciliation at any time within 30 calendar days of the loan purchase date. Questions pertaining to post-purchase adjustments should be directed to the assigned Liaison via email.

5.20 Early Payoff Fees

Early Payoff Fees ("EPO") will be due from Seller should the borrower refinance, sell or payoff the loan within the EPO period identified in the Loan Purchase Agreement. An EPO fee is calculated using the Service Release Premium (SRP) posted on our rate sheet.

5.21 Right to Repurchase

Royal Pacific Funding reserves the right to require Seller to repurchase mortgage loans with documentation outstanding for more than 180 days (210 days if a 30-day extension has been granted) which results in RPF's inability to meet its investor or custodial document delivery requirements. The repurchase price of the mortgage loan will be set forth in a letter forwarded to Seller.

6.0 POST-PURCHASE INSURING GUARANTY REQUIREMENTS

6.1 FHA Mortgage Loans

Sellers are responsible for ensuring that all FHA mortgage loans are insured, and that evidence of insurance is delivered to RPF within 60 days of the date that each loan was funded.

A printed copy of the eMIC version of the Mortgage Insurance Certificate for FHA mortgage loans must be delivered to RPF. The insuring document will show "received" status once RPF has confirmation from FHA Connection (FHAC) that the mortgage loan has been insured.

6.2 VA Mortgage Loans

Sellers are responsible for ensuring that all VA mortgage loans are guaranteed and the Loan Guaranty Certificate (LGC) is delivered to RPF in the loan delivery file. If the LGC issuance is delayed, the Seller must deliver the LGC to RPF within 60 days from closing, or prior to the mortgage loan becoming 30 days delinquent (when the mortgage loan is no longer eligible for guarantee), whichever date is earlier.

6.3 Loan Data Matching Suspense

FHA and VA loans purchased by RPF require that the electronic loan data received to purchase the loan be consistent with the records/data in the agency's insurance or guarantee system. Data discrepancies can include but are not limited to: Original Principal Balance (OPB), Agency Case Number, Interest Rate, Maturity Date, and Property Zip Code.

We ask Sellers to submit complete and correct insuring documents to RPF. In the event a correction is necessary, please be sure to work with the respective agency immediately to correct and submit the corrected documents to RPF. For example, FHA loans insured with a different loan amount compared to the Promissory Note will require the Seller to engage with HUD directly to make the corrections. The Seller will be responsible for submitting a MIC Correction form to HUD in order to update the Mortgage

Insurance Certificate and FHA Connection. The same process applies to VA and RHS loans, as well as requiring the Seller to work with the Guarantor to revise the insuring certificate. RPF reserves the right to request that the Seller repurchase mortgage loans for aged data discrepancies.

6.4 Final Documentation (aka Trailing Docs)

In addition to the insuring documentation named in the Post-Purchase Insuring and Guaranty Requirements section of this Manual, the final closing documents must include, but are not limited to:

- Original recorded mortgage and any applicable riders or addendums (or a certified copy if the original has not been returned from the applicable recording office)

- Original recorded assignment of mortgage and all original recorded intervening
- Assignments if any (or a certified copy, if the original has not been returned from the applicable recording office)
- Original final Title Insurance policy and any required waivers, attorney's opinion, and/or applicable endorsements
- Certified copy of the recorded POA, if applicable
- Mortgage Insurance Certificate (MIC) if FHA loan
- Loan Guaranty Certificate (LGC) if VA loan

6.5 Final Document Delivery Address

Royal Pacific Funding
3070 Bristol Street Suite 400
Costa Mesa, Ca 92626

6.6 Outstanding Final Documents

RPF has the right to charge Seller for actual costs and fees incurred in order to obtain any and all required documents that have been outstanding for greater than 180 days (30 days for FHA MIC or Loan

Guaranty Certificate for VA, Loan Note Guaranty). A late fee of $75, plus any search fees, along with any additional charge that may arise per document.

6.7 Regulation C – Home Mortgage Disclosure Act (HMDA)

Sellers are required to report HMDA Information on all loans sold to RPF. For HMDA purposes, RPF is considered a Mortgage Bank (Type of Purchaser: Code 7).

6.8 Aggregate Escrow Analysis

RPF requires all aggregate escrow analysis and all initial escrow account disclosure statements to be calculated and prepared in full compliance with the requirements of RESPA and all relevant state laws and regulations.

6.9 Fee List

Admin Fee - Delegated	$395
Admin Fee – Non-Delegated	$995
Tax Service Fee	$80
Fraud Guard Interthinx or similar electronic fraud tool (if not included with file submission)	$20
Life-of-Loan Flood Certificate Fee (if Seller does not provide a CoreLogic/Service Link Life-of-Loan Flood Cert)	$15